



2/11/82
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WASHINGTON, D.C. 20548

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B-206549

March 12, 1982

The Honorable Jim Sasser
Ranking Member, Subcommittee
on Intergovernmental Relations
Committee on Governmental Affairs
United States Senate



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Dear Senator Sasser:

Subject: Postal Service's Expenditure of
Funds for Painting the Windows
and Other Work at the Post Office
in Jackson, Tennessee (GGD-82-59)

As requested by your letter of January 7, 1982, we have reviewed the Postal Service's expenditure of funds for painting the windows and certain other work at the Post Office in Jackson, Tennessee. As agreed, we compiled information on the contract awarded in 1980 and on another contract awarded in 1981 for the painting of the windows.

We reviewed Postal Service specifications for the work to be performed on the Post Office and discussed the specifications and contract awards with Postal Service officials in the Field Real Estate and Building Office and the Procurement Services Office in Memphis, Tennessee.

1980 CONTRACT

On July 10, 1980, Bruchmann Contractors, Inc., was awarded Contract No. 475666-80-V-3360 for \$7,537 for certain work at the Main Post Office in Jackson, Tennessee. This included painting the interior and exterior windows, the radiators, doors, walls, and ceilings in the public lobby, and exterior ferrous metals. In addition, all exterior wood windows were to be refurbished.

Eight bids were received, ranging from \$7,537 to \$30,724. A completion date for the project was set for October 10, 1980. On October 20, 1980, the completion date was extended until November 26, 1980, due to some confusion over terminology in the specifications. The confusion related to the requirement that surfaces where paint had peeled were to be scraped and

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sanded smooth before painting. The contractor felt he only had to paint over existing surfaces. Clarification of the specifications was provided verbally by the Postal Service on November 7, 1980, and in writing on November 10, 1980. Bruchmann Contractors, Inc., advised the Postal Service on November 7 that work would proceed to complete the project by the completion date. However, the contractor never performed any work after about October 28, 1980.

On December 11, 1980, the Postal Service issued a Show Cause Letter to Bruchmann Contractors, Inc., requesting comments on whether their failure to complete work arose out of causes beyond their control and without fault or out of negligence on their part. As of February 16, 1982, the Postal Service had not received a response to this letter.

The Architect/Engineer for this project made an onsite inspection December 30, 1980, and determined that less than 5 percent of the contract work had been completed and that most likely the work completed would have to be redone. On January 13, 1981, the Postal Service notified Bruchmann Contractors, Inc. that their contract was terminated pursuant to General Provisions, Part 2, Termination for Default Damages for Delay-Time Extensions.

1981 CONTRACT

Under the terms of the original contract, the Postal Service had the right to readvertise the project. In August 1981, the project was formally advertised, and on September 23, 1981, the Postal Service awarded Contract No. 479952-81-V-0295 for \$43,718 for window replacement and repairs, painting, and caulking.

Nine responsive bids were received, ranging from \$43,718 to \$118,000. According to a Postal Service official, a further inspection of the Post Office was made after Bruchmann Contractors, Inc., defaulted on its contract, and it was decided to expand the scope of work to include much more than painting the windows. The primary additional work to be performed under the 1981 contract that was not in the 1980 contract included:

1. Stripping windows and replacing any rotten wood prior to reglazing all glass and reputtying before applying two coats of paint.
2. Removing the 10 layers of paint from the windows prior to any restoration/replacement.
3. Removing two windows, including all wood trim, and filling the opening with stone veneer and masonry back-up.
4. Cleaning, scraping, sanding, plastering, repairing, priming, and painting the lockboxes and service lobby.

5. Cleaning, scraping, sanding, and painting the cooling tower on the roof.

We have been advised by the Postal Service that the work at the subject facility has been completed. Much more work was contracted for under the 1981 contract and has resulted in the Postal Service spending more money than contemplated under the 1980 contract awarded to Bruchmann Contractors, Inc.

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We plan no further distribution of this report until 30 days from the date of the report unless you publicly announce its contents earlier. At that time we will send copies to interested parties and make copies available to others upon request.

We would be pleased to meet with you should you have any questions.

Sincerely yours,



William J. Anderson
Director